REMARKS

1. Claims 44-86 are pending in the application. Claims 44, 52, 68 and 76 are being amended. The amendment to claim 44 is based on the language of claim 52 and paragraph [51] as published, whereas the amendment to claim 68 is based on the language of claim 77 and paragraph [51] as published. These amendments are in line with the specification and improve clarity of the claims, especially claims 52 and 76. Claims 52 and 77 are being cancelled.

2. Applicants note with appreciation that the Examiner has found Applicants' arguments persuasive with respect to the rejections made in the Office Action of January 7, 2008 and the Examiner has withdrawn the rejection. With respect to the new rejections made in the new Office Action, Applicants have amended the claims to obviate the rejections.

Claims Rejections - 35 USC §102 and §103

3-7. Claims 44 – 51, 54 – 66, 68 – 75 and 78 - 86 stand rejected under 35 U.S.C. 102(e) as being anticipated by Benardeau (U.S. Patent No. 6,904,522). Furthermore, claims 52, 53, 76 and 77 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Benardeau (U.S. Patent No. 6,904,522) in view of Vedder (US Patent No. 6,154,447), claim 67 stands rejected under 35 U.S.C. 103(a) as being unpatentable over Benardeau (U.S. Patent No. 6,904,522) and claim 86 stands rejected under 35 U.S.C. 103(a) as being unpatentable over Benardeau (U.S. Patent No. 6,904,522) in view of Aoyagi (US Patent App. Pub. No. 2002/0032761).

Applicants respectfully disagree and request reconsideration of the claims as amended.

With respect to claims 44, 49, 68 and 73 the Examiner states that Benardeau teaches that the connection linking the master decoding device and the slave decoding device is continuously checked and the slave decoding device operates when the connection between the master decoding device and the slave decoding device remains unchanged or changes in allowable limits. The Examines alleges that the aforementioned is supported by Benardeau at col. 16 lines 58-60.

However, Applicants respectfully direct the Examiner to the relevant paragraph, which reads:

> *"...In all cases it is necessary to ensure a securised link between the decoder and recorder. Unfortunately, the independence of activities between a broadcast system manager responsible for the decoder and a manufacturer of recording equipment responsible for the recorder may lead to a number of problems regarding the provision of encryption keys for this purpose..."*

Therefore, the Applicants respectfully submit that the above paragraph does not refer to any changes in the connection but to security of data conveyed via the connection. Hence, although continuous checking may be applicable to Benardeau, it related to the implicit monitoring of security parameters (content of the signal) not the connection itself (not the content but rather the signal). Moreover operation of the device is not dependent on the connection remaining unchanged or changed within allowable limits.

In addition, Applicants respectfully disagree that the aforementioned paragraph discloses the feature of "*the connection linking the master decoding device (11) and the slave decoding device (12) is continuously checked and the slave decoding device (12) operates when the connection between the master decoding device (11) and the slave decoding device (12) remains unchanged or changes in allowable limits*". Benardeau does not disclose checking of the connection but rather checking of the authorization received in

an ECM via a ciphered communication link. This is supported by the quotations from the specification, which reads in relevant parts as follows:

> *"...For security reasons, the control word CW embedded in the encrypted ECM changes on average every 10 seconds or so. In contrast, the first encryption key Kex used by the receiver to decode the ECM is changed every month or so by means of an operator EMM..."*

> *"...Secure Communication between Decoders As set out in the introduction, in order to avoid problems relating to management of subscription data, it is desirable that only a single subscription is opened for the owner of the two decoders 12, 50..."*

> *"...Private/public keys pairs may be generated in accordance with any suitable asymmetric encryption algorithm such as RSA or Diffie-Hellman. Symmetric keys may be used with algorithms such as DES. In some cases, custom symmetric algorithms may also be used, Referring to Figure 5, the smart card 52 for the decoder 50 is personalised with a public key KpubMan shown at 65 and equivalent to the public key associated with a private management key KpriMan shown at 61. In practice, all smartcards 52 intended for use with dependent or slave decoders will include the key KpubMan..."*

> *"...Whilst the use of a changing session key increases the level of security, other 0 realisations; can be envisaged where a constant session key is used or where the public/private keys KpubSIM/KpriSIM are used to directly encrypt information communicated from the one device to the other device. The session key may itself comprise a private/public key pair..."*

Moreover, Benardeau neither discloses the allowance of connections change nor any limits within which the connection may change.

Additionally, the Examiner states that claims 52, 53, 76 and 77 are obvious since Vedder teaches monitoring signal levels and comparing them to a threshold. The Examiner directs the Applicants to Vedder col 3 lines 1-1, which reads in relevant part as follows:

> *"...In FIG. 2 a portion of a transmission line 12 is shown containing channel 1 . . . , channel n, in which pulse-code modulated signals 14 are transmitted, for example, from one switching center 11^1 to another switching center 11^4. The pulse-code modulated signals are represented by a "0" level and a "1" level. Pulse-code modulated transmission systems are well known in which a voice signal is sampled and the analog value of the sample is converted into a serial-digital code typically comprising 8 bits. The value of the analog signal is represented by the combination of "1's" and "0's" in the 8-bit code for the channel. FIG. 2 only shows one of the binary bits in the serial code in each channel..."*

The Applicants see no subject matter in the cited paragraph relating to comparing a level of signal exchanged between the master decoding device (11) and the slave decoding device (12) with a level of a signal sent between them during preceding communication.

It is true that Vedder teaches monitoring of signal loss, however, Applicants respectfully disagree that a digital signal loss is to be interpreted as being the same as the signal level measured, for example in dB, as supported by the specification as filed. In the case of a signal loss, in present invention, there is no point in exercising the inventive method since the devices will be unable to communicate anyway. On the other hand, monitoring of signal levels is beneficial for security purposes, as presented in the specification as filed.

According to the present invention there is no signal loss. The master and slave devices are operable but another condition is added, which is that the devices may operate when

signal level is detected as proper and subsequently used for detection of distance and not signal loss.

Moreover, comparing a signal to a fixed threshold is different from comparing a signal to another signal from the preceding communication, which may alter between sessions. Vedder teaches that the threshold is fixed at single level, according to a standard:

> *"...The test circuit recognizes a channel signal loss in an operation 603 when the channel signal level is reduced below a threshold as represented by a standard..."*

Moreover Vedder requires: "*...threshold as indicative of a failed cable...*", whereas the connection is required to be operable in the present invention, as defined by the term "*...slave decoding device (12) operates...*" The slave decoding device has to operate in order to compare the levels of the received signal and the level of the signal from the preceding communication.

In Applicants' view, the threshold taught by Vedder is to be interpreted as genus while the level of signal from the preceding communication is to be interpreted as species. Therefore Benardeau, in view of Vedder, does not take away the patentability of claims 52, 53, 76 and 77.

The Applicants respectfully request withdrawal of the rejection with respect to all claims in view of arguments presented above.

CONCLUSION

In view of the foregoing amendments and remarks, Applicants submit that the pending claims are in condition for allowance. Early and favorable reconsideration is respectfully solicited. Should an extension of time be required, Applicants hereby petition for same

and request that the extension fee and any other fee required for timely consideration of this submission only be charged to **Deposit Account No. 503182**.

Respectfully Submitted,

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